

SECRET

MEMORANDUM FOR: The Director of Personnel

SUBJECT : Compensation for Annuitants Employed on Contract
(Voluntary Longevity Retirement)

(1965)

1. During our meeting of 7 July, we discussed the need for the Clandestine Services to employ some specially qualified retirees to accomplish non-recurring projects which were essential to CS operations but which could otherwise not be completed by our regular staff. It was pointed out that if the compensation for such retirees was derived by reducing the salary applicable to the classification of the job by the amount of the retirees annuity, the rate would not in most cases be sufficient to attract retirees who possessed the operational skills required. For example, records review and disposition work involved in the Walnut conversion project can best be accomplished by those having field operational experience. Yet, the classification level which might apply would likely be insufficient compensation to retain qualified retirees.

2. The Clandestine Services proposed that, under the above conditions, an annuitants salary plus annuity would not exceed his last salary rate prior to retirement; further; that his salary would not exceed the salary of the duties performed. This combination of salary controls should provide a fair rate of compensation to the retiree and result in economy to the government.

3. The compensation system herein proposed would apply only to retirees engaged in projects certified by the Deputy Director for Plans as essential activities.

4. As discussed at our meeting, your office agreed to attempt to work out the legal and administrative arrangements to permit us to proceed with the work projects and use of retirees as outlined. We recognized that it may be necessary to obtain a determination in this regard from the Director of Central Intelligence.

DDP/OP

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